

9650 Health and Dental Benefits for Annuitants

This program provides funding for health and dental benefit services for retired state employees and their dependents.

The program began on January 1, 1962, with an employer contribution of \$5.00 per month toward the cost of a basic health plan. Since then, major medical plans, Medicare, and plans supplementing Medicare have been developed. Dental care was added in 1982.

The 2013-14 employer contribution for health premiums maintains the average 100/90 percent contribution formula established in Government Code Section 22871 for fully vested members. Under this formula, the state averages the premiums of the four largest health benefit plans in order to calculate the maximum amount the state contributes towards retiree health benefits. The state also contributes 90 percent of this average towards the health benefit costs of each of the retiree's dependents.

The retiree is responsible for paying all health benefit plan costs that exceed the state contribution. Premiums are determined on a calendar-year basis; therefore, the state contribution will vary during the fiscal year. The 2013 monthly contribution maximums are \$622 for a single enrollee, \$1,183 for an enrollee and one dependent, and \$1,515 for an enrollee and two or more dependents. The 2014 monthly contribution maximums are \$642 for a single enrollee, \$1,218 for an enrollee and one dependent, and \$1,559 for an enrollee and two or more dependents. Dental care premiums vary by plan and number of dependents.

Effective July 1, 2012, funding for health benefits for California State University annuitants is displayed in Organization Code 6645 under Higher Education. This funding was previously budgeted within Organization Code 9650.

3-YR EXPENDITURES AND POSITIONS

				Positions			Expenditures		
				2012-13	2013-14	2014-15	2012-13*	2013-14*	2014-15*
10	Health and Dental Benefits for Annuitants			-	-	-	\$1,365,234	\$1,420,250	\$1,559,336
TOTALS, POSITIONS AND EXPENDITURES (All Programs)				-	-	-	\$1,365,234	\$1,420,250	\$1,559,336
FUNDING							2012-13*	2013-14*	2014-15*
0001	General Fund						\$1,337,089	\$1,416,242	\$1,553,336
0950	Public Employees Contingency Reserve Fund						28,145	4,008	6,000
TOTALS, EXPENDITURES, ALL FUNDS							\$1,365,234	\$1,420,250	\$1,559,336

LEGAL CITATIONS AND AUTHORITY

Government Code, title 2, division 5, part 5.

DETAILED BUDGET ADJUSTMENTS

DETAILED BUDGET ADJUSTMENTS						
	2013-14*			2014-15*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Other Baseline Adjustments	-\$77,976	\$-	-	\$59,118	\$1,992	-
Totals, Other Workload Budget Adjustments	-\$77,976	\$-	-	\$59,118	\$1,992	-
Totals, Workload Budget Adjustments	-\$77,976	\$-	-	\$59,118	\$1,992	-
Totals, Budget Adjustments	-\$77,976	\$-	-	\$59,118	\$1,992	

* Dollars in thousands, except in Salary Range.

9650 Health and Dental Benefits for Annuitants - Continued

Health Benefits

Retirement System ¹	Number of Retirees			Cost by System		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
PERS State Employees ²	133,900	138,720	143,714	\$1,248,655	\$1,306,154	\$1,435,551
District Agricultural Employees	355	364	373	3,243	3,392	3,728
Legislators	100	96	93	954	998	1,097
Teachers	112	102	93	932	975	1,071
Judges	1,652	1,669	1,686	15,789	16,516	18,152
Totals	136,119	140,951	145,959	\$1,269,573	\$1,328,035	\$1,459,599

¹The cost for retirees' health benefits is based on the following average number of retirees covered from each retirement system.

²Effective 2012-13, Organization 9650 no longer includes California State University annuitant enrollment and expenditures.

9650 Health and Dental Benefits for Annuitants - Continued**Dental Benefits**

Retirement System ¹	Number of Retirees			Cost by System		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
PERS State Employees	132,923	138,017	143,307	\$94,093	\$90,703	\$98,103
District Agricultural Employees	346	356	366	245	236	255
Legislators	98	95	93	81	78	84
Teachers	95	90	85	65	63	68
Judges	1,639	1,674	1,710	1,177	1,135	1,227
Totals	135,101	140,232	145,561	\$95,661	\$92,215	\$99,737

¹ The cost for retirees' dental benefits is based on the following average number of retirees covered from each retirement system.

9650 Health and Dental Benefits for Annuitants - Continued

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2012-13*	2013-14*	2014-15*
0001 General Fund			
APPROPRIATIONS			
001 Budget Act appropriation as amended by Chapter 29, Statutes of 2012	\$1,314,883	\$-	\$-
Unanticipated costs from special appropriations bill	5,915	-	-
Revised expenditure authority per Provision 4 of Item 6645-001-0001	18,000	-	-
001 Budget Act appropriation	-	1,494,218	1,553,336
Revised expenditure authority per Provision 6	-	-67,385	-
Totals Available	\$1,338,798	\$1,426,833	\$1,553,336
Unexpended balance, estimated savings	-1,709	-10,591	-
TOTALS, EXPENDITURES	\$1,337,089	\$1,416,242	\$1,553,336
0950 Public Employees Contingency Reserve Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$35,949	\$4,008	\$6,000
Totals Available	\$35,949	\$4,008	\$6,000
Unexpended balance, estimated savings	-7,804	-	-
TOTALS, EXPENDITURES	\$28,145	\$4,008	\$6,000
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$1,365,234	\$1,420,250	\$1,559,336

* Dollars in thousands, except in Salary Range.